

The Provincial Auditor's Overview

1.0 PREAMBLE

The Office of the Provincial Auditor is the external, independent auditor of the Government of Saskatchewan. Our Office's mission is to promote accountability and better management of public resources, by providing legislators and the public with an independent assessment of the Government's use of public resources.

The Provincial Auditor Act makes the Office responsible for auditing the Government of Saskatchewan and approximately 260 agencies. **Appendix 1** lists each agency along with its year-end date, whether matters are reported, and, if so, in which Report.

This *2023 Report – Volume 2* provides legislators and the public critical information on whether the Government issued reliable financial statements, used effective processes to administer programs and services, and complied with governing authorities. It includes the results of examinations of different agencies completed by November 3, 2023, with details on annual integrated and performance audits, as well as our follow-up audit work on previously issued recommendations by our Office and agreed to by the Standing Committee on Public Accounts or Standing Committee on Crown and Central Agencies.

Section 2 of this Overview defines integrated, performance, and follow-up audits, and highlights key findings of each section.

2.0 HIGHLIGHTS OF EACH SECTION

2.1 Annual Integrated Audits

Integrated audits are annual audits of agencies that examine:

- The effectiveness of their financial-related controls (e.g., processes to plan, evaluate, and coordinate financial activities) to safeguard public resources with which they are entrusted
- Their compliance with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing
- The reliability of the financial statements (where applicable)

Since our *2023 Report – Volume 1*, our Office, along with appointed auditors (if in place), completed annual integrated audits of 179 different agencies with fiscal year-ends between January and June 2023.¹ These include integrated audits of 19 ministries, 116 Crown corporations and agencies, 8 pension and employee benefit plans, and 36 healthcare affiliates.

This section includes concerns at 10 agencies, which means most agencies had effective financial-related controls, complied with financial and governance-related legislative authorities, and prepared reliable financial statements.

¹ **Appendix 1** outlines all agencies we examine. **Appendix 2** lists agencies examined using an appointed auditor.



There are a few agencies lacking adequate review and approval of financial information, such as bank reconciliations and journal entries, which increases the risk of errors in financial information and misappropriation of public funds. As a result, these agencies are also experiencing difficulties in preparing adequate financial statements for audit. We found these concerns at the Western Development Museum ([Chapter 10](#)), Prairie Agricultural Machinery Institute ([Chapter 7](#)), and Government Relations' Northern Municipal Trust Account ([Chapter 3](#)).

In March 2023, the Ministry of Highways ([Chapter 5](#)) incorrectly paid more than \$500,000 to an individual impersonating one of the Ministry's suppliers. It later recovered about \$400,000. In response to this incident, the Ministry changed its processes in August 2023 to require a second individual to verify and authorize any requested changes to supplier banking information. The Ministry of Highways follows the Ministry of Finance's guidance for maintaining and changing supplier information. Highways needs to work with Finance in strengthening their guidance to all ministries for verifying changes to supplier information, which will minimize the likelihood of other ministries making inappropriate payments to illegitimate suppliers.

One of the primary benefits of having robust financial and IT controls is that they support government agencies in maintaining accurate records while also preventing losses due to errors or fraud.

eHealth Saskatchewan ([Chapter 1](#)) has to sufficiently test its recovery plans to ensure it can restore critical IT systems it manages for the health sector when a disaster occurs. As ransomware and cyberattacks steadily increase, IT service providers like eHealth need tested disaster recovery plans to enable speedy and easy recovery of key systems and data from the point of attack.

Disaster recovery plans must work when needed to help to minimize consequences when a disaster occurs and resume business as soon as possible. This is especially important in the health sector where an IT failure can endanger patient health.

The Saskatchewan Health Authority ([Chapter 8](#)) spent nearly \$157 million by March 31, 2023, on its business-wide IT transformation project (AIMS) originally expected to cost \$86 million to implement by March 2021. By March 2023, the Authority still has neither implemented this IT system nor established a new AIMS implementation date following a paused attempt to "go live" in November 2022. It will be important for the Authority to coordinate and share a formal lessons learned report with other government agencies once the IT project is complete to help avoid IT system implementation failures on similar projects in government. At March 2023, the Ministry of Health and the Authority forecasted \$240 million total cost to get the IT system implemented.

By not learning from project failures, government agencies can be destined to repeat similar situations and incur significant cost overruns.

2.2 Performance Audits

Performance audits take a more in-depth look at processes related to the management of public resources or compliance with legislative authorities. Performance audits span various topics and government sectors. In selecting which areas to audit, we attempt to identify topics with the greatest financial, social, health, or environmental impact on Saskatchewan.

This section of the Report includes the results of four non-financial, performance audits completed since our last Report (*2023 Report – Volume 1*).

Chapter 12: Agriculture—Conserving Agricultural Crown Land

What our Office examined:

The Ministry of Agriculture’s processes to manage the conservation of agricultural Crown land in Saskatchewan. The Ministry owns and is responsible for 2.8 million hectares of Crown land, the majority of which is made up of hay, native prairie, and pasture land and is leased to pasture associations and individuals.

Why our Office examined this area:

Properly managing and protecting portions of Saskatchewan’s agricultural land helps maintain natural ecosystems. It helps to sustain biological diversity and results in a more resilient ecosystem. For example, land under permanent soil cover can be more resilient to drought and floods, and can also support invasive weed prevention. Additionally, good land management contributes to wildlife habitat conservation.

Sufficiently monitoring land trends and the use of Crown land over time, keeps agricultural landscapes healthy and productive as well as sustains biodiversity.

What our Office found:

The Ministry of Agriculture needs to:

- Complete land health assessments and communicate results to pasture associations in a timely way
- Conduct timely inspections on agricultural Crown land leased by individuals and centrally track results
- Monitor the implementation of land health assessment recommendations and required actions from inspections
- Formalize factors to consider when identifying Indigenous communities to consult with when proposing to lease or sell Crown land
- Track all critical habitat on Crown land

- 2.8 million hectares of agricultural Crown land in Saskatchewan
- Over 7,000 leases on agricultural Crown land (with individuals and pasture associations)
- Inspections of individually-leased land conducted every 21–33 years instead of every 10 years recommended
- **Over 500,000 hectares (44%) of leased land to pasture associations without land health assessments**
- When health assessments find land to be ‘healthy with problems’ recommendations for improvement not mandatory or enforced



Chapter 13: eHealth—Maintaining Key Healthcare IT Servers

What our Office examined:

eHealth Saskatchewan's practices to maintain IT servers that host key healthcare systems and data to protect against known vulnerabilities.

Cyber-attackers exploit vulnerabilities within servers to breach networks and compromise data. IT maintenance ensures IT systems remain secure and operational to help prevent such breaches.

- eHealth's network includes more than 5,000 servers and 1,000 applications
- 97% of servers we tested that receive ongoing updates from vendors were up-to-date
- **20 of 341 servers tested ran unsupported operating systems**
- 16 servers were not included in vulnerability scans

Why our Office examined this area:

eHealth manages the health sector IT network. Without proper maintenance of IT servers, eHealth may be at risk of system failures and security breaches. The availability and integrity of critical IT systems is integral to healthcare providers making medical decisions for their patients.

What our Office found:

eHealth needs to:

- Track which critical IT systems are on which servers
- Detect and remove any unauthorized IT servers on the network
- Implement security measures for unsupported servers
- Periodically review privileged-user access to IT servers
- Regularly analyze and report security information logged for key IT servers

Chapter 15: Saskatchewan Apprenticeship and Trade Certification Commission—Increasing Apprentices from Underrepresented Groups

What our Office examined:

The Saskatchewan Apprenticeship and Trade Certification Commission's strategies to increase apprentices from underrepresented groups in skilled trades.

Apprentices from underrepresented groups contribute to a workforce with a broad range of skills, talents, and experiences, and are vital to building diversity in organizations and supporting economic growth.

Why our Office examined this area:

Saskatchewan will need more than 8,000 new apprentices and 5,000 new journeypersons to meet labour demand requirements between now and 2026, yet the Saskatchewan Apprenticeship and Trade Certification Commission projects new apprenticeship

registrations and completions will be below market demand (at about 7,000 and 4,000 respectively). This will leave a market gap of about 1,000 new apprentices and 1,000 new journeypersons.

Without effective processes to increase apprentices from underrepresented groups, Saskatchewan may be unable to meet industry demand for skilled workers.

What our Office found:

The Commission needs to:

- Revise its current targets related to female apprentices and identify actions to increase the number of female apprentices
- Seek more input from underrepresented apprentices to help identify and address barriers they face
- Implement actions to address key barriers (e.g., sexual harassment/discrimination in the workplace) underrepresented apprentices face
- Expand its targets to include all key milestones of the apprenticeship program for underrepresented groups (e.g. expected number of new registrants and expected exam pass rates)
- Analyze why underrepresented group targets are not met
- Pursue visible minority representation on the Commission's Board

- Underrepresented groups include: women, Indigenous persons, visible minorities, people with disabilities
- Targeting for 11% female apprentices in skilled trades, yet females represent 49% of provincial workforce
- 14 Commission staff work to support apprentices
- Analysis showed less than 40% of Indigenous apprentices received certification
- Of 2,788 participants in Saskatchewan Youth Apprenticeship program, 20.2% self-identified as Indigenous, 31.1% as female, 4.1% as persons experiencing disability, and 6.7% as a visible minority

Chapter 14: Health—Providing Timely Neurosurgery Services

What our Office examined:

The Ministry of Health's coordination efforts to provide timely neurosurgery services in Saskatchewan.

Legislation makes the Ministry of Health responsible for the healthcare system, including neurosurgery services. Using funding from the Ministry, the Saskatchewan Health Authority provides neurosurgery services to patients. From April 1, 2022, to April 30, 2023, the Ministry and the Authority paid \$18.4 million to neurosurgery physicians.

Why our Office examined this area:

At April 2023, more than 700 Saskatchewan patients were waiting for a neurosurgeon to provide surgery related to the brain, spine, or nervous system with about 240 patients waiting more than a year. Overall, the total wait list for spine surgery in Regina doubled since 2019–20, while Saskatoon remain unchanged.



Prolonged wait times to see a neurosurgeon increases the risk a patient's health condition will worsen or become irreversible. Patients can face economic losses and experience increased pain, suffering, and mental anguish not only while they wait to see specialists, but also while waiting for surgery that may follow diagnosis.

What our Office found:

The Ministry of Health needs to:

- Analyze the appropriate number of physicians and staff needed to meet neurosurgery service expectations and establish actions to address workforce gaps
- Communicate clear performance expectations to neurosurgery physicians and monitor whether these expectations are met
- Assess direct and pooled patient referral systems for first neurosurgical consultation
- Increase the use of Spine Pathway clinic referrals as many spine patients' conditions will resolve in time with clinic supports without surgery
- Document clear surgery prioritization criteria to support consistent and fair access
- Determine enhancements to surgical scheduling to ensure efficient use of operating rooms

- From January 1, 2022, to April 30, 2023, there were 3,347 neurosurgeries performed by 20 surgeons, with one neurosurgeon completing 362 (11%) of these surgeries
- Overall 1,033 patients waiting for spine surgery at March 2023 compared to 589 at March 2020
- Less than 20% of patients initially assessed through a Spine Pathway were deemed surgical candidates
- Pooled referral system: 43.4 average days for neurosurgery consultation; direct referral system: 151.7 days

2.3 Follow-Up Audits

Follow-up audits assess the sufficiency of actions taken to address recommendations made in our past performance audits, and those made by the Standing Committees on Public Accounts and on Crown and Central Agencies from their review of our Reports.

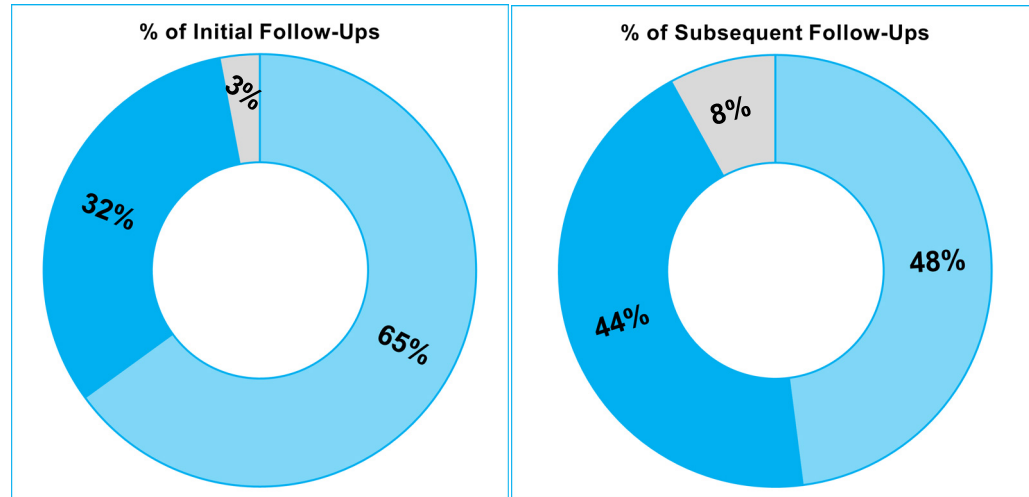
Our Office systematically assesses the status of outstanding recommendations to determine whether agencies made recommended improvements.

This section of the Report highlights the results of 15 follow-up audits, as well as summarizes how quickly government agencies addressed our recommendations and made process improvements.

The extent to which agencies implement recommendations demonstrates whether the recommendations reflect areas that are important to improve public sector management, and whether agencies act on them quick enough. We do our first follow-up either two or three years after the initial audit, and every two or three years thereafter until the agency either implements the recommendations or we identify them as no longer relevant. We expect some recommendations will take government agencies a longer period to implement (e.g., five years).

As shown in **Figure 1**, 32% of the audit recommendations in this Report were fully implemented after the initial follow up (i.e., 2–3 years after original audit) at the various agencies. For agencies with subsequent follow-ups (i.e., >3 years after original audit) in this Report, 44% of audit recommendations have been fully implemented. This is well below our previous Report (*2023 Report – Volume 1*) where the rate overall was 62%.

Figure 1—Percentage of Implemented Recommendations



Grey: Not Implemented/No Longer Relevant
 Light blue: Partially Implemented
 Blue: Fully Implemented

The following table details the results of the 15 follow-up audits in this Report. It sets out the status of recommendations by agency, grouped by initial and subsequent follow-up audits. As evident from the table, some agencies like the Coroners Service succeeded in making the majority of necessary process improvements in a relatively short period, while other agencies take more than five years. There were only three out of nine agencies that fully implemented recommendations after our most recent subsequent follow-up (our second or third follow-ups).

By July 2023, the Saskatchewan Health Authority ([Chapter 25](#)) had made little progress on addressing the recommendations we first made in 2017 about overseeing contracted special-care homes. The Saskatchewan Health Authority contracts with private-sector operators for 15 special-care homes in Saskatoon and surrounding area. Special-care homes continue to not meet established performance measures and service expectations related to quality of care. For example, the number of residents on antipsychotic drugs without a diagnosis has not met expectations. This is often an indicator that special-care home staff chemically manage their residents. Not taking timely actions to address non-compliance can negatively impact special-care home residents' quality of life.

Sick leave also continues to increase at the Saskatchewan Health Authority ([Chapter 24](#)), with actual sick time reaching about 13.4 sick days per employee in 2022–23. The Authority neither monitors actions taken by managers to work with those employees with excessive absenteeism nor sufficiently analyzes and identifies strategies to address employee absenteeism. Excessive employee absenteeism can impact employee well-being, costs, and quality of health services delivered to the public.



The Ministry of Environment ([Chapter 19](#)) made progress on regulating eight waste diversion recycling programs but expedited changes to program operating reporting is needed to see whether programs are working effectively to reduce waste. The Ministry is still far from having each resident generate about 592 kilograms of waste yearly (its goal), with each resident generating about 793 kilograms in 2020. Obtaining the necessary information to assess incremental progress to its overall waste reduction goal will allow the Ministry to adjust strategies and programs sooner for identified concerns.

The Ministry of Social Services ([Chapter 29](#)) has more work to do in regards to investigating allegations of child abuse and neglect. By June 2023, it implemented one recommendation and continues to work on three of the outstanding recommendations we made in 2018. Our testing found the Ministry did not, within the timeframes required, always attempt face-to-face contact with the child and family under investigation, complete family risk assessments, or finalize investigations. Also, the Ministry's Quality Assurance Unit assesses each of three service areas' compliance with the Ministry's policies and procedures, but it did not require service areas to develop action plans to address untimely completion of risk assessments—the Ministry had 944 suspected child abuse investigations outstanding for more than 45 days at May 2023.

Chapter Name	Related Report ^{A,B}	Status of Recommendations				
		Recommendations	Implemented	Partially Implemented	Not Implemented	No Longer Relevant
Initial Follow-Ups						
Agriculture—Mitigating Pests in Crops and Pastures	2020 V2	5	2	3	0	0
Education—Evaluating the Early Learning Intensive Support Program	2021 V1	2	1	1	0	0
Environment—Regulating Waste Diversion through Recycling	2020 V2	5	0	5	0	0
Health—Monitoring Enforcement of Tobacco and Vapour Products' Legislative Requirements	2021 V2	8	2	6	0	0
Justice and Attorney General—Conducting Timely and Accurate Coroners Investigations	2021 V2	8	6	2	0	0
Saskatchewan Cancer Agency—Delivering the Screening Program for Colorectal Cancer	2020 V2	6	0	5	1	0
Initial Follow-Ups Subtotal		34	11	22	1	0
% of Initial Follow-Ups Subtotal		100%	32%	65%	3%	0%
Subsequent Follow-Up Audits ^C						
Advanced Education—Working with the Advanced Education Sector to Achieve Ministry Strategies	2015 V1 2021 V2	1	1	0	0	0
Health—Providing Special Needs Equipment for Persons with Disabilities	2016 V2 2019 V1 2021 V1	2	1	1	0	0
Saskatchewan Health Authority—Minimizing Employee Absenteeism in Kindersley and Surrounding Areas	2017 V2 2020 V1	4	1	2	1	0
Saskatchewan Health Authority—Overseeing Contracted Special-Care Homes in Saskatoon and Surrounding Area	2017 V1 2020 V1	5	0	4	0	1

Chapter Name	Related Report ^{A,B}	Status of Recommendations				
		Recommendations	Implemented	Partially Implemented	Not Implemented	No Longer Relevant
Saskatchewan Health Authority—Providing Timely Access to Mental Health and Addictions Services in Prince Albert and Surrounding Areas	2018 V1 2021 V1	5	3	2	0	0
Saskatchewan Public Safety Agency—Alerting the Public about Imminently Dangerous Events	2019 V1 2021 V2	3	3	0	0	0
Saskatchewan Public Safety Agency—Detecting Wildfires	2017 V2 2019 V2 2021 V2	1	0	1	0	0
Social Services—Investigating Allegations of Child Abuse and Neglect	2018 V2 2020 V2	4	1	3	0	0
Technical Safety Authority of Saskatchewan—Inspecting Elevating Devices	2017 V1 2019 V1 2021 V2	2	2	0	0	0
Subsequent Follow-Ups Subtotal		27	12	13	1	1
% of Subsequent Follow-Ups Subtotal		100%	44%	48%	4%	4%
Overall Total		61	23	35	2	1
% of Overall Total		100%	38%	57%	3%	2%

Source: Compiled by the Provincial Auditor of Saskatchewan.

^A V—means Volume.

^B The related Report reflects the report in which the Office first made the recommendation(s) (for initial follow-ups) and subsequent reports (for subsequent follow-ups).

^C For subsequent follow-ups, the number of recommendations is the number of outstanding recommendations that remained not implemented after the previous follow-up audit.

3.0 ACKNOWLEDGEMENTS

Our Office continuously values the cooperation from the staff and management of government agencies, along with their appointed auditors, in the completion of the work included in this Report. We are grateful to the many experts who shared their knowledge and advice during the course of our work.

We also appreciate the ongoing support of the all-party Standing Committees on Public Accounts and on Crown and Central Agencies, and acknowledge their commitment in helping to hold the Government to account. Our Office remains focused on serving the Legislative Assembly and the people of Saskatchewan.

As Provincial Auditor, I am honoured to lead the Office, and our team of professionals. I am truly proud of their diligence and commitment to quality work. Our team's steadfast professionalism helps us fulfill our mission—to promote accountability and better management by providing legislators and Saskatchewan residents with an independent assessment of the Government's use of public resources.



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4.0 ABOUT THE OFFICE OF THE PROVINCIAL AUDITOR

The Office of the Provincial Auditor is the external, independent auditor of the Government. Through *The Provincial Auditor Act*, the Provincial Auditor, the Office, and staff are independent from the Government. *The Provincial Auditor Act* makes us responsible for auditing the Government of Saskatchewan and approximately 260 agencies.

Our Office promotes accountability and better management of the Government's administration of its programs and services. We do this through our audit work and publicly reported results, along with our involvement with the legislative committees charged with reviewing our Reports (i.e., the Standing Committees on Public Accounts and on Crown and Central Agencies).

Our Office uses Canadian professional auditing standards published by CPA Canada to conduct our audits. As required by the Act, the Provincial Auditor reports directly to the Legislative Assembly on the results of all examinations, and highlights matters that require the attention of legislators.

Our Office strives to complete audits of value to legislators and the public. This means selecting audit topics of importance and with higher risk, and sharing the results (whether positive or negative) within a reasonable time. We aim to complete larger and more complex audits within a year of their initiation.

In addition to our Reports on our audit work results, we give legislators two key accountability reports each year—a business and financial plan, and an annual report on operations. These describe the Office, including our purpose, accountability mechanisms, staffing, and key systems and practices. These reports are publicly available on our website, as well as further details about the Office of the Provincial Auditor at auditor.sk.ca.